

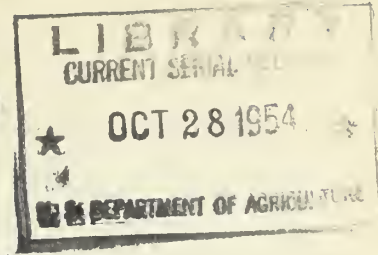
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Foreign

CROPS AND MARKETS



FOR RELEASE MONDAY, OCTOBER 4, 1954

VOLUME 69

NUMBER 14

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FOREIGN AGRICULTURAL SERVICE
WASHINGTON 25, D.C.

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SWEDEN TO IMPORT VEGETABLE AND FLOWER SEEDS

Due to cold and rainy weather, Sweden's seed crops are expected to be sharply reduced this year, with quality below normal. The American Embassy at Stockholm reports that the Swedish Board of Agriculture has already taken measures to obtain needed supplies. These measures include a request to the Swedish Treasury for a dollar allocation of \$40,000 for the purchase of garden seed. It is likely that a similar request will be made for the importation of flower seeds from the United States.

Sweden is not normally a market for United States seeds.

1954 CARRY-OVER OF FIELD SEEDS IN SWEDEN SMALL

The American Embassy in Stockholm reports that Sweden's 1954 stocks of field seeds as of June 30 were only about half as large as in the two preceding years. Of the 17 grass and legume seeds listed in the stocks report, only 4 showed larger quantities carried over. These seeds were red and alsiks clovers, alfalfa and timothy. The quantities carried over, however, were small in comparison with the annual domestic disappearance in Sweden.

The important seeds in smaller supply included white clover, orchard grass, meadow and red fescue, the ryegrasses, field brome grass, the bluegrasses, and crested dogtail.

SMALLER SEEDCROPS OF SUDAN GRASS, BIRDSFOOT TREFOIL AND CRIMSON CLOVER IN ITALY

The 1954 production of Sudan grass, crimson clover and birdsfoot trefoil seed in Italy as reported by the American Embassy in Rome is somewhat smaller than in 1953.

The production of Sudan grass is estimated at from 600,000 to 700,000 pounds, or about equal to Italian annual requirements. The 1954 crop of crimson clover seed, estimated at 6 million pounds, is 15 percent below the 1953 harvest of $7\frac{1}{2}$ million pounds. There are some reports that Italy is importing crimson clover seed from France.

Production of birdsfoot trefoil in Italy averages between $2\frac{1}{4}$ and $2\frac{1}{2}$ million pounds. The crop this year is considered to be smaller; thus an exportable surplus, if any, will be small.

VENEZUELA FIXES 1954-55 GUARANTEED PRODUCER PRICE FOR DOMESTIC CORN

Guaranteed producer prices fixed by the Agricultural Bank (Banco Agricola y Pecuario) for the 1954-55 Venezuelan corn crop range from 25.00 to 40.00 bolivares per quintal (\$1.90 to \$3.03 per bushel), the same as those in effect since the crop year 1950-51, according to James H. Kempton, Agricultural Attache, American Embassy, Caracas.

The Agricultural Bank, an agency of the Venezuelan Government, continues to be responsible for both domestic corn purchases and corn imports. The Bank will purchase all local corn delivered to designated collection points at fixed prices, subject to the availability of storage space. Shortages of storage space in past seasons, however, have caused periodic interruptions of varying duration in Government purchasing and consequent distress marketing of much of the corn crop at very low prices.

The actual price paid to producers for corn deliveries varies considerably, depending on the area and locality. For purposes of this program, the country is divided into 21 areas or regions. These are further divided into 97 localities, each locality having a fixed guaranteed price. Prices range from a high of 40.00 bolivares per quintal (\$3.03 per bushel) in both Caracas in the Federal District and Maracaibo in the Zulia area, to a low of 25.00 bolivares per quintal (\$1.90 per bushel) in Guasualito and Achaguas in the Apure area. Specifications as to the quality of corn acceptable for delivery in 1954-55 have not been reported.

TURKEY INTRODUCING NEW WHEAT CLASSIFICATION AND GRADING STANDARDS

In an effort to maintain its new role as a wheat exporter and to facilitate marketing in accordance with official grades and standards, Turkey is currently in the process of adopting a new system of wheat classification and grading, according to a despatch from Laurell L. Scranton, Agricultural Attache, American Embassy, Ankara. The new system now being evolved is a marked improvement over the old method. The operation of the Turkish grain grading system is a function of Toprak (Toprak Mahulleir Ofisi or Soils Products Office), the Government agency which administers all grain marketing operations and related activities.

Under the existing system of wheat grading, the Toprak field buyer merely makes up a composite sample from various bags being offered for sale by the producer and determines grade and quality largely from visual inspections. No attempt at exact analysis is made but the grade generally is favorable to the producer. Under the new system inspectors will use standardized samples, scales, sieves and other testing equipment now being supplied by the Toprak office and they will be required to make a careful and complete analysis of all grain being offered for sale.

The new system, soon to be put into operation at Toprak buying stations, recognizes two classes of wheat - (1) Durum wheat and (2) Bread wheat. Durum wheat is divided into three subclasses, i.e., (a) Thrace, (b) Central Anatolia, (c) South-East. Bread wheat also is divided into three subclasses, i.e., (a) Anatolia White, (b) Anatolia Topbaz, (c) Ordinary Soft.

Under each subclass numerical grades 1, 2 and 3 are provided with specifications as to test weight, foreign material, damage, vitreousness, and broken kernel content. A unique provision of the new standards is the "Pelemir" content, included under foreign material.

PROPOSED TURKISH WHEAT STANDARDS

Grade 1/	Minimum		Maximum Limits of						
	test weight		Foreign Material				Damage		
	kilos		Flour	Grains	Total	Pelemir			
	per hect.	and pounds	grains	other	foreign	seeds	Heat	Total	
	per bushel		other	than	material	per	damage	damage	
			than	flour		kilo			
			wheat	grains					
	Kgs.	Lbs.	%	%	%	No.	%	%	
<u>DURUM WHEAT</u>									
No. 1	78	60.6	1.5	0.5	2.0	0	0.1	1.0	
No. 2	76	59.0	3.0	1.0	4.0	25	0.2	2.0	
No. 3	74	57.5	4.0	2.0	6.0	50	0.3	3.0	
<u>BREAD WHEAT</u>									
No. 1	77	59.8	1.5	0.5	2.0	0	0.1	1.0	
No. 2	75	58.3	3.0	1.0	4.0	25	0.2	2.0	
No. 3	73	56.7	4.0	2.0	6.0	50	0.3	3.0	

Grade 1/	Vitreousness			
	Complete	Partly	Wheat of	Permitted
	Vitreous	Vitreous	other classes	maximum
				of other
	Min. %	Max. %	Max. %	Durums
				Max. %
<u>DURUM WHEAT</u>				
No. 1	75	20	5	2
No. 2	60	30	10	5
No. 3	40	40	20	10
<u>BREAD WHEAT</u>				
No. 1	--	--	10	--
No. 2	--	--	15	--
No. 3	--	--	20	--

1/ Grade 1 may have up to 5.0% cracked grain which will not pass through a 2.2 mm sieve.

Grade 2 may have up to 8.0% cracked grain which will not pass through a 2.2 mm sieve.

Grade 3 may have up to 10.0% cracked grain which will not pass through a 2.2 mm sieve.

Pelemir, the Turkish name for a weed seed belonging to the Scabiosa family, is a seed much the same in size as a wheat kernel and cannot be separated with ordinary cleaning equipment. When milled, the seeds, if in too great concentration, give the flour a dark, oily, bitter taste, and sometimes produce nausea. Pelemir growth is most prevalent in the southeastern plains near the Syrian border.

The influence of both United States and Canadian grading systems can be detected in the new standards. The United States influence appears in the definite maximum limits in percentages of foreign material, damaged kernels, and wheat of other classes. The Canadian influence is reflected in the fact that the amount of vitreous kernels is a factor determining numerical grade and not subclass as provided for in the United States wheat standards.

In further evidence of Turkey's determination to improve the quality of wheat moving into trade channels, Toprak recently instructed its grain buyers not to purchase grain that contained living insects, maggots, and grains gnawed by them. The instructions also prohibit the purchase of wheat affected by smut and having 10 unpierced smut balls in a sample of 100 grams, or with small pieces of these balls, or with black grains resulting from smut balls because of bursting.

AUSTRALIAN STATES AGREE ON FIVE-YEAR WHEAT INDUSTRY STABILIZATION PLAN

Agreement of the Australian States on a five-year Wheat Industry Stabilization Plan has been announced by the Commonwealth Minister for Commerce and Agriculture. The plan, subject to approval by a wheat grower's referendum now in progress, provides that growers will receive 14s. (\$1.57) per bushel for all wheat sold for home consumption for the crop years 1953-54 through 1957-58 unless the International Wheat Agreement price falls below that level, and guarantees an export price sufficient to cover the cost of production for f.a.q. wheat, f.o.r. ports.

Under the agreed plan, the Wheat Board will continue as the sole authority for the marketing of Australian wheat. For each crop year, the Wheat Board will establish a pool, or fund, consisting of the proceeds from domestic and export sales. Such proceeds will be shared by growers, less operating expenses, in proportion to the amounts and in accordance with qualities of wheat delivered. On delivery to designated collection points, growers will receive a partial payment, and additional payments will be received later dependent on the average price received by the pool for the season.

Wheat producers are guaranteed a total return sufficient to cover the cost of production for the duration of the plan. Domestic sales by the Wheat Board, including feed wheat, will be made at 14s. (\$1.57) per bushel, unless this price exceeds the IWA price current at the beginning (December 1) of the marketing season. If the IWA price is below 14s. (\$1.57) per bushel, the domestic price will be adjusted downward to the IWA level, but not below the estimated cost of production, currently 12s. 7d. (\$1.41) per bushel.

To insure that growers receive the cost of production from export sales of up to 100 million bushels, a tax up to as high as 1s. 6d. (16.8 cents) per bushel may be levied on exports to maintain a stabilization fund of 20 million Australian pounds (\$45 million). If returns from export sales fall below the cost of production, the stabilization fund will be drawn upon to make up the difference. When the stabilization fund is insufficient to insure cost of production returns to growers, the deficit will be supplied by the Commonwealth Treasury.

The new plan also provides for an export premium of 3d. (2.8 cents) per bushel to Western Australian wheat growers and for the continued pooling of transportation costs for wheat consumed in Tasmania. The grower's premium for exports from Western Australia recognizes the natural freight advantage of wheat exports from this area. Transportation costs for wheat consumed on the island of Tasmania will be pooled by the addition of a fixed amount to the sales price for all wheat consumed in Australia. This amount is presently fixed at 1.5d. (1.4 cents) per bushel, the cost of which is borne by consumers rather than growers.

The Wheat Stabilization Plan, if approved by wheat producers, will be effective retroactive to December 1, 1953 and will replace the Wheat Marketing Act now in effect. Provisions of this Act, adopted as a stop-gap measure for the crop years 1953-54 through 1955-56 due to earlier disagreement on a stabilization plan, are continued in the new measure.

GREEK GOVERNMENT ANNOUNCES GUARANTEED PRODUCER PRICE FOR 1954-55 WHEAT DELIVERIES

Purchase by the Government of Greece during the 1954-55 season of locally produced wheat will be made on the basis of a guaranteed average price of 3.4 drachmas per oka (\$2.40 per bushel), according to the American Embassy, Athens. This price is approximately the same as the average price guaranteed for deliveries to collection centers during the 1953-54 season.

Under the 1954-55 program, the Government will purchase all wheat offered by producers. With certain exceptions, 10 percent of the payment will be made on delivery and the balance after 6 months. The exceptions provide that for small farmers who have no more than 50 stremmas (12.36 acres) under wheat, immediate cash payment will be made on deliveries up to 20 okas per stremma (3.77 bushels per acre) for the first 10 stremmas (2.47 acres) and up to 12 okas per stremma (2.26 bushels per acre) for deliveries from the balance of their wheat area. In the earthquake-stricken area of Thessaly, growers with 50 to 100 stremmas (12.36 to 24.71 acres) under wheat will receive immediate cash payments for deliveries from the first 50 stremmas (12.36 acres) on the same basis as small farmers. In addition, this group of farmers in Thessaly will receive immediate cash payment for the value of 8 okas per stremma (1.51 bushels per acre) for deliveries from the balance of their wheat area.

Last season's specifications covering quality factors for wheat deliveries under the government's purchase program presumably continues in effect. Acceptable wheat had to be dry and free from insects, odors, alteration, and high temperature. Further, the minimum test weight was 72 kilograms per hectoliter (56.1 pounds per bushel); the maximum permissible foreign material, 5 percent; and the maximum for stinking smut and weed seed, 1 percent. Moreover, for grading purposes wheat was classified as hard wheat, soft wheat, and other classes. Two grades were established for hard wheat; 4 for soft wheat; and 2 for other types. In addition, premiums for high grades and discounts for low grades were allowed during 1953-54.

RICE CONSUMPTION DECLINES IN SWEDEN

Rice consumption in Sweden has dropped in the last 2 years as indicated by import statistics, according to Elmer A. Reese, Agricultural Attache, American Embassy, Stockholm. This may be attributable principally to a difficulty in acquiring needed supplies and to a relatively sharp increase in rice prices. Since 1951 the price of rice has risen about 37 percent as compared with the wholesale price of farm products of 17 percent. Rice consumption corresponds to about 1 percent of the consumption of potatoes.

SWEDEN: Imports of milled rice, by country of origin,
and by quantity and value, 1953

Country of origin	Quantity		Value		Import price
	Metric tons	1,000 pounds	1,000 kronor	1,000 dollars	Cents per pound
Italy.....	7,754	17,094	10,396	200,882	11.8
Netherlands.....	1,446	3,188	2,246	43,399	13.6
Belgium & Luxembourg:	307	677	415	8,019	11.8
Thailand.....	171	377	235	4,541	12.0
Greece.....	32	71	43	831	11.7
Hungary.....	20	44	25	483	11.0
India.....	10	22	18	348	15.8
Other countries.....	11	24	22	425	-
Total.....	9,751	21,497	13,400	258,928	12.0

Compiled from official sources.

Consumption of rice and rice flour was about 31 million pounds in 1950 and 1951, but declined to somewhere around 19 million pounds in 1952 and 1953. The largest postwar consumption of rice was of imports in 1950 of 40 million pounds, of which more than one-half came from Italy.

Import data indicate that in 1953 Italy and the Netherlands were the principal source for rice imports into Sweden. The prices paid from importing countries seem to be above the United States prices, especially with respect to rice imported from the Netherlands.

While before and during World War II, the United States shipped relatively important quantities of rice to Sweden, exports dropped off during the postwar period when world rice supplies were under allocation by the International Emergency Food Committee. Only insignificant amounts were shipped from the United States to Sweden from 1949 until April 1954, when 56,000 pounds of United States rice were exported to that country.

SWEDEN: Rice imports, by country of origin,
averages 1936-40 to 1946-50, annual 1951 to 1953

Country of origin:	Average			1951	1952	1953
	1936-40:	1941-45:	1946-50:			
	1,000	1,000	1,000	1,000	1,000	1,000
	pounds	pounds	pounds	pounds	pounds	pounds
Egypt.....	1,155	28	1,284	331	53	0
Burma & Br. India	20,109	0	1,290	40	66	22
Thailand	1,737	0	3,416	258	150	377
Indochina	1,498	0	1/	1/	1/	1/
Indonesia	2,588	0	1/	51	24	1/
United States.....	3,207	5,127	41	0	0	0
Italy	1/	1,187	5,009	21,640	10,355	17,094
Brazil	504	11,135	10	1/	1/	0
Netherlands	1,483	1/	1/	582	1,658	3,188
Other countries ..	1,213	39	446	1,020	119	816
Total	33,494	17,516	11,496	23,922	12,425	21,497

1/ If any, not separately reported.

Compiled from official sources.

PROPOSED U.S. RICE-GROWING CONCESSION IN NORTHERN AUSTRALIA

In a speech before the Australian House of Representatives on September 7, 1954, Minister of Territories, Paul Hasluck, reported that negotiation had been initiated with an unnamed United States group to investigate the prospects of commercial rice growing in the sub-coastal plains of the Northern Territory in the Adelaide River and Mary River area.

Research previously carried out by Australian scientific authorities indicated there were large areas of land in that section of the country which were suitable for rice growing, but a great deal of further investigation as to water supply, cultural methods and seed types was necessary and the Government was, at this stage, reluctant to encourage small individual settlers to embark on rice farming.

The Minister stated that for these reasons negotiations were undertaken with the American group, and reassured members of the House of Representatives that such development, if it occurred, would be in accordance with Australian law. He pointed out that assistance of this type from Americans would shorten by many years the period needed to find out definitely whether rice can be grown commercially in the Northern Territory. The proposed production would be for export to Asia. It has not been possible to identify the United States interests involved in this venture. The press asserts the initial capital investment will be £5 million.

KOREA PLANS TO INCREASE RICE PRODUCTION

Under a revised 5-year plan, the Korean Ministry of Agriculture plans to increase rice production to 19,895,000 suk of polished rice (8,770 million pounds of rough rice), principally by expanding acreage from around 2.6 million acres to 2.7 million acres, and also by improving irrigation facilities. The stated objectives of the plan include the building up of rice exports to compensate for a reduction in dollar earnings from tungsten exports and from hwan advances to United States forces.

Agricultural officers of the Korean Civil Affairs Commission report that the July flood damaged the 1954 rice crop only slightly, and that the estimate of the harvest will be at least 16,000,000 suk (7,050 million pounds of rough rice). This is a smaller Korean crop than the estimated 7,5 million pounds of rough rice in 1953.

On the immediate problem of exporting the present surplus, the Government reportedly is reviving its plan to export rice to Japan

CUBAN RICE PLANTING DELAYED

Heavy rains in the Cuban Provinces of Oriente, Camaguey and Pinar del Rio have held up the planting of rice for the November-December harvest of almost 2,000 caballerias (66,000 acres) already prepared for planting, according to C. E. Davis, American Embassy, Havana. The forecast of the total rice acreage in Cuba in 1954-55 prior to this announcement was 7,500 caballerias, or 249,000 acres (see Foreign Crops and Markets, August 30, 1954).

While a winter rice crop apparently will not be produced on this 66,000 acres, it is expected the land will be planted in rice for harvest during the first 5 months of 1955. The estimate of 450 million pounds for the rough rice harvest of Cuba in 1954-55 may have to be revised downward sharply if the above report should prove to be as serious as pictured.

It was announced on July 7 that the Government would discontinue the retailing of ration rice through approved shops. As rice supplies were abundant and the public had largely ceased to patronize the shops, further rationing was deemed unnecessary. The Government accompanied its announcement on derationing with a statement that it would soon be in a position to discuss the possibility of withdrawing entirely from the rice trade.

HONG KONG: Rice imports, January-June 1954
with comparisons

Country of origin	1952	1953	1953		1954	
			January -	January -	January -	January -
			March	June	March	June
	1,000	1,000	1,000	1,000	1,000	1,000
	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>
Burma	36,336	71,804	28,620	55,215	1,809	1,809
China (excl. Taiwan)	12,445	7,293	6,222	7,293	0	0
Indochina	25,932	35,052	2,963	25,606	2,022	4,566
Italy	18,208	17,151	17,151	17,151	0	0
Macao	0	242	0	0	127	5,199
Philippines	0	5,277	0	0	0	0
South America	5,361	0	0	0	0	0
Taiwan	223	272	216	236	0	0
Thailand	405,696	550,490	162,509	291,302	20,788	44,413
United States	17,789	0	0	0	0	0
Total	521,990	687,581	217,681	396,803	24,746	55,987

Source: Hong Kong Trade Returns.

A contract was made with importers of commercial rice for the turn-over of 28,000 metric tons (2,204.6 pounds = 1 metric ton) of Government stocks during August and September. The quota for commercial imports for local consumption was fixed at 6,000 tons for each month. The retail price of rice remained stable during July as a result of a slight rise in the price of freshly imported rice and a reduction in the selling prices obtained for Government rice.

CANADA REPORTS SMALL DURUM PRODUCTION

Canada's durum crop in 1954 is the smallest produced since 1945, according to estimates released by the Dominion Bureau of Statistics. The current estimate of 7 million bushels is only about a third of the large crop reported for 1950 and is 19 percent less than the small 1953 production. The reduction from last year's outturn is due to sharp reductions in yields, which more than offset an increase of about 70 percent in the acreage seeded to durum varieties in the Prairies Provinces this year.

The increase in durum seedings was large in Saskatchewan and Alberta, while acreage in Manitoba shows a slight decline. The sharpest drop in yields is noted for Saskatchewan, where yields of 8.3 bushels per acre, based on conditions September 1, contrast with 1953 yields of 20.5 bushels for that Province. Substantial decreases are also estimated for yields in Alberta and Manitoba.

The generally smaller yields this season are attributed to rust damage, which is more widespread than it was last season when only Manitoba's crop was reported to sustain severe rust damage. The extent of damage this season is reflected in the yields, which are sharply reduced in all 3 Provinces, and for the Prairie Provinces, as a whole, are less than half the 1953 yields for the area.

Durum production in Canada's Prairie Provinces, 1954 compared with 1953

Province	Area		Yield per acre		Production	
	1953	1954	1953	1954 1/	1953	1954 1/
	1,000	1,000			1,000	1,000
	acres	acres	Bushels	Bushels	bushels	bushels
Manitoba	70	65	11.4	6.2	800	400
Saskatchewan	354	600	20.5	8.3	7,257	5,000
Alberta	21	80	26.0	20.0	545	1,600
Total	445	745	19.3	9.4	8,602	7,000

1/ As indicated on the basis of conditions about September 1.

From reports of the Dominion Bureau of Statistics.

**EL SALVADOR'S 1954-55 COTTON
CROP TO SET RECORD**

Cotton production in El Salvador may reach a record 60,000 bales (of 500 pounds gross) this year, according to R. C. Desmond, American Embassy, San Salvador. Production has been rising steadily from a prewar average of only 5,000 bales to a 1945-49 average of 21,000 with much sharper gains taking place after 1950-51. The 35-percent increase in this year's planted area is attributed mainly to the profitable crop of the previous year. Favorable weather and more intensive use of insecticides contributed toward record yields in 1953-54.

Planting of this year's crop has only recently been completed and the production outlook at this early date could change materially. Appearance of the young plants is reported to be very good, however, and it is assumed that insecticides will again be used heavily, if needed.

With year-end (July 31, 1954) stocks of 12,000 bales and domestic consumption remaining at about the same level as in recent years--12,000-14,000 bales, supplies of cotton available for export from this year's crop should approximate 50,000 bales.

**TURKEY'S 1954-55 COTTON CROP PROSPECTS
AND RECENT CHANGES IN EXPORT TRADE**

Preliminary reports place Turkey's 1954-55 cotton crop at about the level of last year's production of 620,000 bales (of 500 pounds each), according to a report from L. L. Scranton, American Embassy, Ankara. The area planted to cotton, estimated at 1,335,000 acres, is down about 10 percent from last year and 20 percent from the peak reached in 1952. Among the reasons advanced for the continued downward adjustment in Turkey's production are: (1) the general decline in cotton prices from the high level of 1950-51, (2) continuing relatively strong producer prices for competitive crops, notably grains and tobacco, and (3) this season's unfavorable weather at planting time.

In the 1953-54 season, Turkish cotton exports totaled about 373,000 bales, a decline of 14 percent from the 1952-53 level of exports. A significant feature of export trade in cotton during the 1953-54 marketing season was the shift in the bulk of Turkey's trade away from Western Europe (European Payments Union countries) to other countries where higher prices could be obtained through barter transactions. Roughly two-thirds of the cotton exports last season moved under barter arrangements to Japan, Poland, Czechoslovakia, Hungary, Finland, and Israel. Export prices averaged approximately 37.8 cents per pound, a slightly higher price than in 1952-53. Continued steady demand pulled stocks down, and as the 1953-54 season neared an end, prospects appeared favorable for disposing of practically all marketable supplies before the new crop reached the market.

The following table showing Turkey's cotton exports for the past two marketing seasons, by country of destination, indicates the dimensions of the shift in trade during the 1953-54 season.

TURKEY: Cotton exports, by countries of destination,
1953-54 and 1952-53

(In bales of 500 pounds gross weight)

Countries of destination 1/	August - July 31	
	1953-54	1952-53
	<u>1,000 bales</u>	<u>1,000 bales</u>
Yugoslavia.....	57.4	18.0
Italy.....	53.4	121.9
Japan.....	52.2	0
France.....	40.9	73.8
Poland.....	31.1	6.6
Czechoslovakia.....	26.7	25.3
West Germany.....	25.5	116.3
Israel.....	24.8	4.0
Hungary.....	19.4	31.4
Finland.....	15.5	8.1
Lebanon.....	7.0	2/
Switzerland.....	6.6	2/
Spain.....	5.3	2.2
All other countries.....	7.7	25.1
Total.....	373.5	432.7

1/ Countries listed in the order of their importance in the 1953-54 marketing year. 2/ Less than 500 bales.

INDONESIA'S DIFFICULTY IN PRODUCING DOMESTIC FLUE-CURED TOBACCO

In an effort to ease its balance of payments position the Government of Indonesia has been actively promoting the domestic production of flue-cured tobacco. The usual problems have been encountered, such as soils, climate and rainfall; in addition there is the problem of persuading farmers to switch to the new crop. Experiments in Tapanuli, Sumatra have shown that flue-cured type of tobacco can be produced in that area. Local farmers, however, have not been eager to switch from the native variety of tobacco they are now producing.

CANADA'S FIRST-HALF STOCKS AND EXPORTS OF UNMANUFACTURED TOBACCO

Total Canadian stocks of unmanufactured tobacco on June 30, 1954 were 185.9 million pounds compared to 194.8 million pounds on June 30, 1953. During the same period, stocks of unmanufactured flue-cured dropped from 162.7 to 159.6 million pounds and Burley from 14.1 to 10.0 million pounds.

Exports of Canadian leaf increased considerably from 13.6 million pounds in the first 6 months of 1953 to 23.5 million pounds for the first half of this year. Flue-cured tobacco was responsible for most of this rise as it increased from 12.6 million pounds in January-June 1953 to 22.7 million pounds for January-June 1954.

The United Kingdom was the largest market for Canadian tobacco exports and together with the Empire took 22.9 million pounds out of the total of 23.5 million pounds exported in the first half of 1954.

JAPAN EXPECTS RECORD TOBACCO CROP IN 1954

A recent report from Japan indicates that a record tobacco crop will be harvested this year. Total production is expected to reach 255.1 million pounds, of which 155.8 million pounds is flue-cured. Production would have been even larger except for recent damage to growing areas by storms and unfavorable weather. Even this large crop will not provide an adequate stock reserve as consumption of tobacco in Japan has increased faster than production since rationing was discontinued in March 1950.

Japan: Production of Unmanufactured Tobacco By Kind In Recent Years - Farm Sales Weight

Period	Flue-Cured	Burley	Native (ark air)	Total ^{1/}
	Million Pounds	Million Pounds	Million Pounds	Million Pounds
1935-39	74.3	3.0	71.4	148.7
1945-49	42.0	9.6	84.3	145.9
1950	105.5	4.7	106.0	216.2
1951	108.7	4.1	98.1	210.9
1952	110.3	3.9	96.4	210.6
1953	126.7	4.2	95.6	224.4
1954 ^{2/}	155.8	3.4	95.9	255.1

^{1/} Does not add to total as figures have been rounded.

^{2/} Preliminary estimates.

BRITISH FOOD MINISTRY AGAIN REDUCES WHOLESALE BUTTER PRICES

The British Ministry of Food has again reduced wholesale butter prices by announcing the sale of stocks of first grade Danish and Australian butter at 45.3 cents a pound; this is an additional reduction of 1.2 cents on top of the 2.5 cents per pound drop announced in Foreign Crops and Markets of September 13, 1954.

While the price of Australian and Danish first grade butter is lower, the Ministry said the price of first grade domestic and the New Zealand butter would remain at 46.5 cents per pound.

Butter is currently selling at retail at a range of from 49.3 cents to 54 cents per pound, with most sales being made at about 51.5 cents.

LOW FLUID MILK CONSUMPTION PARTIAL CAUSE OF SWISS DAIRY SURPLUSES

Declining rates of fluid milk consumption is given as one of the causes for the surplus dairy situation existing in Switzerland (see Foreign Crops and Markets of August 9, July 5 and May 31, 1954). Milk production has increased approximately 15 percent since 1950 while the population has risen less than 5 percent. Furthermore, fluid milk consumption per capita is estimated to have dropped 28 pounds in 2 years to an annual consumption rate of 478 pounds.

Swiss dairy interests have made, and are making, intensive efforts to increase the consumption of milk, but without much success. In an agricultural country depending primarily on dairying, milk drinking in Switzerland is handicapped by several conditions. For one thing it is the custom to drink milk only when it is cooked and then usually when fixed with coffee. The cooking may be attributed to a fear of contamination, but the Swiss program of TB-control has progressed smoothly and may reach its goal of complete eradication in 1958 and certainly by 1962. Pasteurized milk is available in most places but its sale in restaurants and other commercial places is less profitable than other beverages.

U.S. EXPORTS OF MEAT TO PANAMA CANAL ZONE DECREASE

United States exports of meat to the Panama Canal Zone for the first 7 months of 1954 were 38 percent below shipments for the same period in 1953. The Panama Canal Zone ranked sixth last year as a market for United States meats.

Several factors indicate that this market may decline further in the future. In recent months there has been an 8 percent reduction in the number of employees on the Panama Canal Company - Government payrolls. The Company's budgets for the fiscal years 1955 and 1956 call for a general decrease in activities that will result in decreased purchases from all sources. The Republic of Panama has been striving to reduce the Canal Zone's economic competition with Panamanian business. It has been reported unofficially that, as a result of the recent United States-Panama negotiations, that some 8,000 Panamanian employees of the Canal Zone who reside in Panama may soon be denied commissary privileges.

Present beef prices in Panama Canal Company's commissaries are as follows:

<u>Cuts</u>	<u>Price per Pound</u>	
	<u>United States</u> <u>Beef</u>	<u>Panamanian</u> <u>Beef</u>
Rib Roast (boneless)	\$0.84	\$0.46
" " (first five ribs)	.69	.37
" " (last three ribs)	.64	.36
Porterhouse Steak (Choice)	1.12	.53

It must be noted that the quality of United States and Panamanian beef above is not comparable, but are shown as an indication of price level.

U.K. MEAT PRICES FOLLOWING DECONTROL

Prices of the better cuts of fresh meat have increased sharply in the United Kingdom following decontrol on July 4 and meat prices have continued high, despite seasonally large production and the release of meat from Ministry stocks. On the other hand prices of some of the least desirable carcasses and cuts have declined below their control levels.

Price controls allowed little differential between prices of chilled and frozen meat and between the different classes and grades of each species. Under free choice, prices of home-produced and other fresh and chilled meats have risen relative to prices of the lower grades and least desirable cuts. On the average wholesale prices have increased moderately and butchers are widening their margins so that the rise at retail has been relatively greater.

The strong price trends for beef in the United Kingdom and seasonally declining prices in the United States will be determining factors in the pending sale to the United Kingdom of \$17 $\frac{1}{4}$ million worth of Utility and Commercial cow beef carcasses from the United States, financed under the provision of Section 550 of the Mutual Security Act of 1953.

In January the U. S. Foreign Operations Administration announced details of this transaction involving a subsidy on United States sales amounting to 12 cents a pound (See Foreign Crops and Markets, January 25, 1954). Contracts for the sale of this beef must be made in the United States by October 31 for delivery by the end of this year. Recent average prices for Utility and Commercial grade cow carcasses at New York have been 24.5 and 27.5 cents per pound respectively, which under this deal could be delivered in British ports for around 17 to 20 cents (minus 12-cent per pound subsidy, plus 4 cents export packaging and freight, and the United Kingdom tariff of 0.8 cents). Thus the landed cost of the United States beef is at or below prices of comparable imported beef in British markets. Argentine F quality frozen carcasses have been released by the Ministry at around 20 cents per pound.

Slaughter in the United Kingdom has been running considerably higher than a year ago. It has been increasing seasonally and is approaching the peak for the season. The Ministry of Food has been almost the sole supplier of imported meat and is still releasing its stocks to importers at prices averaging about the control level. During mid-August imported frozen steer beef hindquarters from Australia were selling for the equivalent of 28 to 30 cents per pound at warehouses in Smithfield compared with a delivered price before decontrol of 25 cents. Free market prices of imported carcasses were quoted at 23 to 34 cents per pound compared with an average of about 28 cents prior to decontrol.

Prices of home produced meat have increased much more than imported supplies. On August 18 English sides of steer beef at wholesale sold for the equivalent of 25 to 27 cents per pound compared with 16.5 to 25 cents under control. Lamb carcasses at 30 to 35 cents compared with a ceiling of 30 cents. Hog carcass prices at wholesale were practically unchanged from their former control levels.

Imports of meat by the United Kingdom during the first half of 1954 totaled 9 percent less than a year earlier with reductions for bacon, carcass pork, mutton and lamb. Imports of carcass beef were moderately greater than in the same period of 1953.

UNITED KINGDOM: Wholesale meat prices at the
Smithfield Market, July-August 1954
(Equivalent U. S. cents per pound)

Item	July 7	Aug. 4	Aug. 18
Steer and heifer beef:			
Hindquarters			
Argentine	30.4-32.8	28.1-31.6	28.1-30.4
New Zealand	29.3-31.6	28.1-31.6	28.1-30.4
Forequarters			
Argentine	19.9-21.1	18.7-21.1	17.6-18.7
New Zealand	19.9-21.1	18.7-21.1	17.6-18.7
Sides			
Scotch	28.1-32.8	28.1-30.4	25.8-28.1
Home produced	28.1-32.8	28.1-30.4	24.6-26.9
Lamb carcasses:			
New Zealand (frozen)	26.9-31.6	24.6-35.1	23.4-34.0
Home produced (fresh)	28.1-37.5	31.6-35.1	30.4-35.1
Mutton Carcasses			
New Zealand ewes (frozen)	11.7-18.7	11.7-18.7	11.7-18.7
Home produced ewes (light weights, fresh)	23.4-28.1	25.8-28.1	23.4-25.8
Home Produced pork			
121-140# carcasses	21.1-28.1	23.4-28.1	18.7-23.4

The United Kingdom's production of meat continues to increase. Production of carcass meat, excluding bacon and ham, during the first half of 1954 was about one-fifth larger than a year earlier. There were sharp increases in production of beef, mutton, and pork. A larger share of the increased hog production has been marketed in fresh form and bacon and ham production from home slaughter in the first half of 1954 was 13 percent below a year earlier. The larger pork supplies have depressed market prices for hogs, especially those of heavier weights. More lightweight hogs are being produced partly as a result of higher government price supports for lightweight hogs. A further increase in total meat output is expected during the second half of 1954 and during 1955. However, the increase is not likely to be as great as that recorded in the first half of 1954.

BELGIAN DAIRY SITUATION

Milk production in Belgium in the first half of the current year was approximately 4 billion pounds, about the same as production in the comparable period of 1953. Although there was about a 2 percent increase in cow numbers, yield per cow was slightly lower because of unfavorable pasture conditions.

Butter production was up in the first half of 1954. Consumption also continued very high despite relatively high prices, averaging about 25 pounds per person per year. Cheese production was down. Output of evaporated, condensed and dried milk also was lower than that of a year ago. These products compete with Dutch imports on the Belgian market, although the minimum price provisions of the Benelux agricultural protocol afford some protection.

Imports of butter, condensed and evaporated milk were considerably smaller than in the first half of 1953, but imports of cheese and dried milk were larger than a year ago. Most of Belgium's imports of dairy products are supplied by the Netherlands. Some butter was admitted from Denmark this year when it was found that the supplies in the Netherlands were inadequate and the Belgian price of butter had increased. The Netherlands is also the principal source of cheese for the Belgian market, although small quantities are imported from numerous other countries.

Belgian exports of dairy products are relatively unimportant with the exception of dried milk.

Peak milk production, which usually comes in May and June, was delayed this year because of bad weather. The flush period this year came in July and August and, instead of the normal seasonal regression, milk production is likely to remain above average for the rest of the year. However, if late fodder continues unfavorable and the livestock-feed ratio does not improve, some culling of milk stock may be expected by the end of the year.

NEW ZEALAND REDUCES GUARANTEED PRODUCER PRICES FOR BUTTER AND CHEESE

The New Zealand Dairy Commission has reduced the guaranteed price to producers of butter and cheese in the 1954-55 season. The basic butter price has been reduced from \$0.3985 to \$0.3937 per pound, that of cheese from \$0.2220 to \$0.2174 per pound.

This reduction, the first since the guaranteed price system was introduced 18 years ago, was considered necessary because of the unfavorable outlook for trade in dairy products. With the termination of the long-term bulk contract for sales in the United Kingdom, the Commission feels that exports will be below last year's level, and that a way must be found for the dairy industry to sell butter and cheese without the necessity of drawing too heavily upon industry reserves to maintain payments to producers. It is hoped that reducing the guaranteed price will assist the industry in the gradual transition to lower export prices.

In New Zealand, where 90 percent of the milk goes into manufacturing purposes, all butter and cheese for export are sold to the New Zealand Dairy Products Commission at the guaranteed price. The Commission maintains an equalization fund which is built up during periods of high prices and returned to producers during low-price periods. At the present time the reserves amount to about \$67 million and it is expected that this sum will be drawn on during the 1954-55 season to the extent of about \$8.5 million. If it turns out that greater returns in world trade are possible than thought under the lowered guaranteed price, the Commission has agreed to distribute such a surplus to producers as an additional payment.

At present, butter is being offered to markets outside the United Kingdom at \$0.4185 per pound, f.o.b. New Zealand. Cheese has recently been offered to other markets at \$0.2491 per pound, but it is expected that this price will drop shortly to around \$0.2242 per pound.

ARGENTINA INCREASES CATTLE PRICES

The government of Argentina authorized a 10 percent increase in steer prices for receipts between September 6 and October 1, 1954 in an effort to increase marketings and forestall a beef shortage. The price increase applies only to cattle destined for consumption in the Federal capital and greater Buenos Aires.

Previous prices for steers were fixed by Government decree last February 8 and were designed to provide a price premium for light-weight steers. However, the price changes at that time precipitated a heavy run which depleted the number of cattle available for slaughter during the winter months.

Receipts were further decreased by adverse grazing conditions which hindered proper fattening of stock. These factors coupled with the usual winter decline dropped August marketings well below domestic needs and it was necessary to exhaust frigorifico stocks of frozen beef accumulated previously at government request as a reserve.

Packers report the price increase has stimulated a substantial increase in bookings and state that they expect marketings to be sufficient to avert an immediate shortage. They expect, however, heavy marketings in the last week of September as producers market before the price advantage ends. This may result in a serious slump in receipts during early October.

VENEZUELA: FOURTH QUARTER IMPORT LICENSES FOR BABY CHICKS

The Venezuela Ministry of Development announced September 18, 1954 that requests for import licenses for baby chicks must be filed before September 30, 1954.

This late date for filing of fourth-quarter import licenses of baby chicks will no doubt cause hardship for many United States hatchers, who have set their hatch of eggs around September 10, as the import permits issued by the Ministry of Development have as yet to be issued.

No licenses for the final quarter October-December will be issued to those who did not report on the number of chicks imported in the third quarter.

PANAMA FIXES IMPORT QUOTA FOR INCUBATION EGGS

The Panamanian Office of Price Control in Resolution No. 75 of September 13, 1954, established an import quota of 10,000 dozen eggs for incubation during the period September 16 - December 31, 1954.

Shipments under the terms of this Resolution must be accompanied by documents clearly certifying that the eggs are from an accredited commercial firm, and from chickens free of pullorum. Such certificates must be prepared by competent state agricultural officials of the State from which the eggs are shipped.

BRITISH CROP OUTLOOK SOMEWHAT IMPROVED
DESPITE UNFAVORABLE CONDITIONS

United Kingdom crop development and harvesting conditions continued unfavorable through September 20, although sunshine in recent weeks improved the outlook over that of July and early August. Normal development of crops is still about 3 weeks behind and the harvesting consequently retarded. Harvesting of grain is only one-half in two-thirds completed. This, in turn, will probably have a retarding effect on autumn plowing and seeding, particularly of wheat.

Final production of the most important crops will depend largely upon the weather during the next 6 weeks. The widespread use of combines and driers, particularly in the traditional grain areas, has resulted in the saving of much grain which otherwise would have been severely damaged or lost by lodging, sprouting and other wet weather conditions, coupled with generally lower yields.

Coarse grains production indicate a reduction under 1953 of as much as 1 per cent, particularly in barley and mixed grains for feed. This is the result of decreased acreage, lodging, slow maturity and weather damage. However, estimates indicate that wheat production will be slightly greater than 1953, largely because of the increased acreage of spring wheat coupled with reported later maturity and resistance to lodging of some of the new varieties. Lower quality of barley and reduced production may necessitate increased imports of that grain over last year.

The hay crop in most areas has been considerably reduced in quality and quantity because of adverse weather conditions for harvesting and drying. Those farmers able to harvest and store their grass by artificial drying or in the form of silage will be in an advantageous position. There are strong indications that there will be shortages of hay and grain in some areas for winter feeding, particularly in the hill-farming areas. However, the summer pastures have been excellent, enabling farmers to finish and market cattle and sheep in good condition.

A firm demand for breeding cattle and sheep has been maintained, despite the increased numbers of available breeding stock. This indicates a shift back to the traditional production of beef, lamb and mutton, although the sheep population is still below the prewar level. Although the tilled acreage is still about 40 per cent above the 1939 level, the June census revealed a further decrease in crop and fallow acreage and an increase in temporary and permanent grass acreage. (See Foreign Crops and Markets, page 271, September 6, 1954.)

Milk production continued to rise during the summer months, and liquid milk consumption has ceased to decline. The quantity of milk going into manufacturing use has increased and more than half of it being utilized for the production of traditional British cheeses, such as Stilton.

U. S. FOREIGN AGRICULTURAL TRADE IN JULY 1954Export Highlights

July agricultural exports are 8 percent ahead of a year earlier. United States exports of agricultural products in July 1954 of \$213 million were ahead of exports in July a year earlier by 8 percent. Farm exports usually reach a low level in July, and this year was no exception. Exports rose quite uniformly from \$206 million in January this year to \$267 million in June. The July value was therefore at the lowest level for any month in 1954 since January.

Smaller supplies and higher prices of foreign grown cotton kept United States cotton moving. As in earlier months of calendar year 1954, larger exports of cotton in July helped in holding the level of farm exports above a year earlier. Cotton shipments of 237 thousand bales this July were nearly twice those of last July. This July's exports were about half of June's, but a decline at that time is usual as July is the last month of the marketing year. Principal factors in the larger cotton exports during the second half of the 1953-54 marketing year were the substantially reduced supplies in most of the competitive countries and consequent price increases for foreign cotton to levels that gave United States cotton a better competitive position in world markets. Cotton exports from the United States received added impetus also from record foreign mill consumption, a reflection of increased purchasing power abroad. The greatest gain in exports was made in shipments to Western European countries.

Wheat exports continue low because of restored European output and lower world prices. United States exports of wheat and wheat flour totaling 21 million bushels in July 1954 were about 5 million under those of July a year earlier and about the same as shipments abroad in June this year. Declining world trade in the past 2 years, because of improved supplies in importing countries, particularly European countries, has affected the United States more than the other major exporters. Competition for the smaller export market drove world wheat prices downward.

Tobacco sales abroad hold steady as Western Europe maintains purchases. July 1954 exports of tobacco amounted to 29 million pounds as compared with 24 million in the same month a year earlier and 27 million in June this year. United States tobacco has enjoyed a relatively steady foreign market with about three-fourths of the shipments bound for overseas going to Western Europe.

Larger exports of cottonseed oil and tallow aid July's exports. An increase in United States cottonseed oil exports to 44 million pounds in July 1954--largely from CCC-held stocks--as compared with only 866 thousand pounds in July a year earlier was a major factor in the month's exports of fats, oils and oilseeds. Principal takers of the cottonseed oil were the United Kingdom, the Netherlands, French Morocco, Canada, and Mexico. In addition, tallow exports of 103 million pounds this July were 10 million over both July 1953 and June 1954. While the gain in quantity over July of the year before was 12 percent, the gain in value amounted to 76 percent; higher prices accounted for the difference. Tallow supplies for export have been large due to increased United States cattle slaughter and further displacement of soap fats with synthetic detergents.

**UNITED STATES: Summary of exports, domestic, of selected
agricultural commodities and groups during July 1953 and 1954**

Commodity exported	Unit:	July			
		Quantity		Value	
		1953	1954	1953	1954
				1,000	1,000
ANIMAL PRODUCTS:		Thousands:	Thousands:	dollars:	dollars:
Cheese	Lb. :	299 :	370 :	146 :	153
Milk, condensed	Lb. :	2,916 :	89 :	734 :	29
Milk, evaporated	Lb. :	11,957 :	13,120 :	1,784 :	1,929
Milk, whole, dried	Lb. :	4,378 :	4,286 :	2,295 :	2,161
Nonfat dry milk solids	Lb. :	14,323 :	8,080 :	2,019 :	1,038
Eggs, in the shell	Doz. :	4,321 :	4,637 :	2,152 :	1,673
Beef and veal, total <u>1/</u>	Lb. :	3,073 :	2,198 :	810 :	621
Pork, total <u>1/</u>	Lb. :	6,694 :	5,422 :	1,681 :	1,531
Other meats <u>1/</u>	Lb. :	6,091 :	9,303 :	1,797 :	2,736
Lard	Lb. :	33,193 :	29,808 :	3,988 :	5,531
Tallow, edible and inedible	Lb. :	92,371 :	102,648 :	4,853 :	8,586
VEGETABLE PRODUCTS:					
Cotton, unmd., excl. linters (480 lb.):	Bale:	121 :	237 :	21,036 :	42,706
Apples, fresh	Lb. :	3,882 :	6,352 :	366 :	519
Grapefruit, fresh	Lb. :	5,837 :	11,765 :	289 :	581
Oranges and tangerines	Lb. :	98,194 :	44,807 :	3,530 :	2,823
Pears, fresh	Lb. :	1,630 :	2,657 :	177 :	285
Prunes, dried	Lb. :	3,013 :	1,911 :	516 :	350
Raisins and currants	Lb. :	4,012 :	11,691 :	466 :	911
Fruits, canned	Lb. :	9,826 :	18,388 :	1,558 :	2,914
Fruit juices	Gal.:	2,915 :	2,927 :	2,621 :	2,403
Barley, grain (48 lb.)	Bu. :	632 :	4,801 :	947 :	5,516
Barley, malt (34 lb.)	Bu. :	327 :	275 :	872 :	650
Corn, grain (56 lb.)	Bu. :	9,311 :	5,056 :	16,491 :	8,243
Grain sorghums (56 lb.)	Bu. :	529 :	4,806 :	783 :	5,051
Rice, milled, excludes paddy	Lb. :	124,758 :	40,971 :	14,199 :	3,559
Wheat, grain (60 lb.)	Bu. :	23,081 :	17,370 :	48,109 :	29,589
Flour, wholly of U.S. wheat (100 lb.)	Bag :	1,192 :	1,413 :	5,665 :	6,374
Flour, not wholly of U.S. wheat (100 lb.)	Bag :	288 :	97 :	1,523 :	450
Hops	Lb. :	314 :	329 :	142 :	209
Nuts and preparations	Lb. :	674 :	3,795 :	283 :	828
Soybeans, except canned (60 lb.) ..	Bu. :	1,832 :	976 :	5,350 :	3,850
Soybean oil, crude, refined, etc.	Lb. :	6,744 :	620 :	868 :	95
Cottonseed oil, crude, refined, etc.	Lb. :	866 :	44,225 :	143 :	5,548
Seeds, field and garden	Lb. :	22,753 :	1,912 :	595 :	364
Tobacco, flue-cured	Lb. :	18,954 :	20,215 :	11,173 :	13,262
Tobacco, leaf, other	Lb. :	5,383 :	8,628 :	2,874 :	4,439
Beans, dried	Lb. :	22,179 :	12,733 :	1,692 :	1,115
Peas, dried	Lb. :	6,107 :	5,340 :	305 :	418
Potatoes, white	Lb. :	26,199 :	20,299 :	460 :	598
Vegetables, fresh, other	Lb. :	27,665 :	33,853 :	1,608 :	1,777
Vegetables, canned	Lb. :	9,850 :	13,584 :	1,433 :	2,056
Food exported for relief, etc.				3,528 :	2,192
Other agricultural commodities				24,951 :	37,569 ^{2/}
TOTAL AGRICULTURAL				196,812 :	213,232
TOTAL ALL COMMODITIES				1,350,110 :	1,280,184

^{1/} Product weight.

Compiled from official records, Bureau of the Census.

^{2/} Includes flaxseed valued at 2,945 thousand dollars and linseed oil valued at 5,914 thousand dollars.

UNITED STATES: Summary of imports for consumption
of selected agricultural commodities and groups during July 1953 and 1954

Commodity imported	Unit:	July			
		Quantity		Value	
		1953	1954	1953	1954
SUPPLEMENTARY				1,000	1,000
ANIMALS AND ANIMAL PRODUCTS:		Thousands:	Thousands:	dollars	dollars
Cattle, dutiable	No.	8	5	1,620	999
Cattle, free (for breeding)	No.	1	1	364	334
Casein and lactarene	Lb.	4,528	7,744	566	1,133
Cheese	Lb.	2,121	2,562	1,140	1,391
Hides and skins	Lb.	15,514	10,141	6,009	4,551
Beef and veal, total 1/	Lb.	20,249	10,625	7,011	3,203
Pork, total 1/	Lb.	17,377	13,688	11,850	9,119
Wool, unmd., excl. free, etc.	Lb.	20,564	13,680	15,492	11,417
VEGETABLE PRODUCTS:					
Cotton, unmd., excl. linters (480 lb.)	Bale	8	9	1,447	1,849
Jute and jute butts, unmd. (2,240 lb.)	Ton	6	3	995	768
Olives in brine	Gal.	903	1,130	1,369	1,891
Pineapples, prep. or preserved	Lb.	11,394	6,135	1,353	704
Other fruits and preparations		2/	2/	2,614	1,611
Barley, grain (48 lb.)	Bu.	2,149	2,657	3,109	3,353
Oats, grain (32 lb.)	Bu.	7,044	2,812	5,049	2,049
Wheat and flour (grain equiv. 60 lb.)	Bu.	805	93	1,769	237
Feeds and fodders		2/	2/	3,411	2,936
Nuts and preparations		2/	2/	4,741	3,551
Castor beans	Lb.	4,739	12,474	363	659
Copra	Lb.	44,527	62,212	3,670	4,527
Oils, fats, waxes, veg. expressed	Lb.	38,415	35,441	8,943	5,841
Sugar, cane (2,000 lb.)	Ton	378	349	43,058	39,445
Molasses, unfit for human consumption	Gal.	24,957	30,649	2,247	3,256
Tobacco, cigarette leaf	Lb.	5,643	6,515	3,714	4,352
Tobacco, other leaf	Lb.	1,169	1,011	1,814	1,627
Seeds, field and garden		2/	2/	681	526
Potatoes, white	Lb.	558	1,605	11	32
Tomatoes, natural state	Lb.	1,085	1,836	73	121
Other supplementary				16,613	16,247
Total supplementary				151,096	127,729
COMPLEMENTARY					
Silk, raw	Lb.	353	454	1,676	1,953
Wool, unmd., free in bond	Lb.	25,712	14,351	12,324	7,604
VEGETABLE PRODUCTS:					
Bananas	Bunch	4,250	3,963	5,689	5,092
Coffee (ex. into Puerto Rico)	Lb.	193,418	129,125	102,234	101,571
Cocoa or cacao beans	Lb.	46,723	39,150	13,754	23,267
Tea	Lb.	7,506	5,786	3,293	3,055
Spices (complementary)	Lb.	4,564	4,279	2,845	1,956
Sisal and henequen (2,240 lb.)	Ton	11	9	2,458	1,755
Rubber, crude	Lb.	122,442	90,976	26,445	17,610
Other complementary				5,957	8,495
Total complementary				176,675	172,358
TOTAL AGRICULTURAL COMMODITIES				327,771	300,087
TOTAL ALL COMMODITIES				892,835	819,797

1/ Product weight. 2/ Value only.

Compiled from official records, Bureau of the Census.

Gains also occurred in July exports of flaxseed and crude linseed oil; most of the former went to the United Kingdom, the Netherlands, Belgium, and Japan; all of the latter was destined for the Netherlands. At the same time, July exports of lard amounting to 30 million pounds were 3 million less than shipments in July 1953 and June 1954, but value was larger due to higher prices.

Japan and Canada reduced takings of United States soybeans. United States exports of soybeans in July 1954 were substantially below a year earlier; the total of 976 thousand bushels was 47 percent smaller than shipments of 1.8 million bushels in July 1953. Much smaller purchases were made by Japan and Canada probably because the price of beans was relatively high this spring.

Europe has been taking less United States soybean oil. United States exports of crude and refined soybean oil in July 1954 were only 620 thousand pounds; this figure contrasts with 6.7 million pounds in July a year earlier. July this year was the fourth month in which Europe took no United States crude soybean oil. With its large crushing capacity, Europe prefers to take beans and do its own crushing. In the past 4 months United States crude soybean oil has moved only to Canada and Cuba.

Rice exports continue under last year's high levels. Commercial exports of milled rice from the United States in July 1954 totaled 41 million pounds as compared with 125 million in July a year earlier and 45 million in June this year. Principal declines were in shipments to Cuba and Korea which were offset in part by larger shipments to Colombia.

CCC sales in anticipation of larger harvest boost grain sorghum exports. Grain sorghum exports in July 1954 totaled 4.8 million bushels as contrasted with only 529 thousand bushels in July a year earlier; July 1954 exports also exceeded June 1954's exports by 77 percent. Increased shipments were due to the CCC export allowance program that moved previously acquired stocks into export channels in anticipation of the larger 1954 harvest.

Import Highlights

United States agricultural purchases abroad fall in July. United States imports of agricultural commodities from abroad totaled \$300 million in July 1954, or 9 percent under imports in July a year earlier and only 80 percent of imports in June this year.

United States bought less complementary products abroad. Imports of complementary, or noncompetitive, agricultural commodities in July 1954--principally coffee, carpet wool, and crude rubber--were slightly reduced in value from a year earlier; the value of \$172 million this July compared with \$177 million in July a year earlier. July's imports this year were valued well under June's \$218 million dollars. There were declines in both quantity and value from July last year in imports of carpet wool and rubber. Less coffee was imported in July than a year earlier but higher prices upheld value. Cacao bean imports were smaller in quantity but larger in value due to higher prices.

Smaller United States market continues to hit major supplementary imports. United States imports of supplementary, or competitive, agricultural imports declined to \$128 million in July 1954 as compared with \$151 million in July a year ago. Supplementary imports have been lower than a year earlier every month so far in 1954. The decline in July from a year earlier was spread over a large number of items including apparel wool, meats, hides and skins, vegetable oils, oats, cane sugar, and fruits. Partly offsetting increases were registered for imports of molasses, casein, olives in brine, and copra.

PHILIPPINE PRODUCTION OF COCONUT PRODUCTS UP IN FIRST HALF 1954

Philippine production of copra, coconut oil and desiccated coconut during January-June 1954 totaled 484,449 long tons, copra equivalent, an increase of nearly one-third from the first half of 1953, according to H. V. Geib, Agricultural Attache, American Embassy, Manila. The higher production in 1954 was largely the result of fairly good weather during 1953, with no more than average typhoon damage, whereas the 1953 output was reduced by serious damage from typhoons in 1952.

PHILIPPINE REPUBLIC: Copra, coconut oil and desiccated coconut production in copra equivalent, January-June 1954 with comparisons

(Long tons)

	:Average: :1947-51:	1952	:1953 1/:	January-June	
				:1953 1/ 2/ :	1954 1/
Exports:	:	:	:	:	:
Copra.....	:720,487:2/	651,764	:592,267:	225,819:	324,633
Coconut oil as copra 3/	:87,517:	126,290	:92,998:	33,713:	44,100
Desiccated coconut as	:	:	:	:	:
copra 4/	:61,294:	45,192	:56,770:	26,436:	21,906
Total as copra.....	:869,298:2/	823,246	:742,035:	285,968:	390,639
Domestic utilization:	:	:	:	:	:
Coconut oil as copra 3/	:89,035:	111,111	:123,810:	81,746:	93,810
Total production	:	:	:	:	:
as copra 2/	:958,333:2/	934,357	:865,845:	367,714:	484,449

1/ Preliminary. 2/ Revised. 3/ Computed at 63 percent oil extraction rate.
4/ Computed at 83 percent of copra equivalent. 5/ Excluding coconut utilized in the making of home-made oil and native culinary preparations.

Source: Philippine Trade.

With the increase in output of Philippine coconut oil products, the 1954 domestic consumption of coconut oil is estimated to be 15 percent more than in 1953.

Copra exports to the United States totaled 139,919 tons during January-June 1954, or 43 percent of total exports to all destinations of 324,633 tons during the period. This is substantially below the corresponding figure of 52 percent for the full year of 1953. Nearly all of the coconut oil exports, or 27,388 tons out of a total of 27,783 tons, went to the United States.

The average domestic price in Manila for copra, resecada, during the second quarter of 1954 was 29.06 pesos per 100 kilograms (\$147.63 per long ton) as compared with 34.03 pesos (\$172.88) in April-June 1953. The average copra export price in April 1954 of \$176.15 per short ton c.i.f. Pacific coast declined to \$170.45 in May and to \$167.90 in June. Prices, basis delivery to Europe, increased from \$180 per long ton c.i.f. European ports at the beginning of April to a relatively steady level of \$185-\$190 from mid-April up to June.

WESTERN GERMANY CONTINUES LARGE IMPORTS OF FATS AND OILS 1/

Western Germany continues to be a large and expanding market for fats and oils, reports William F. Doering, Agricultural Economist, Office of the United States High Commissioner for Germany, Bonn. In 1953, 54 percent of its edible fats and 92 percent of its industrial fats came from external sources. The total net tonnage of imports was approximately 1.4 million short tons, a substantial increase from 1952 but due in large part to a shift from oils to seeds.

WESTERN GERMANY: Total imports of oilseeds, fats and oils,
1952 and 1953, and utilization of 1953 imports

(1,000 short tons)

Commodities	Total 1952	Total	1953	
			Utilization	
			Food	Industrial
Oilseeds.....	576.6	794.6	621.6	<u>1/</u> 173.0
Vegetable oils.....	363.1	339.0	222.6	116.4
Lard.....	63.2	46.4	45.8	0.6
Tallow.....	13.6	31.1	0.2	30.9
Fat bacon (incl. "fat back")....	22.2	34.7	34.7	-
Other animal and marine				
fats and oils <u>2/</u>	160.9	279.2	173.4	<u>3/</u> 105.8
Fatty acids, etc. <u>4/</u>	7.8	7.8	-	7.8

1/ Thereof 138,890 tons for processing (mostly into edible oils) and re-export (1952 - 20,900 tons). 2/ Including hardened items. 3/ Thereof 2,870 tons for processing and re-export. 4/ Also glycerine and fat processing residues.

Compiled from official sources.

1/ A more extensive statement will soon be published as a Foreign Agricultural Circular by the U. S. Department of Agriculture, Foreign Agricultural Service, Washington 25, D. C.

The United States' share of the West German market remained about 21 percent, although much of the business was via third countries. The principal United States commodities shipped there were soybeans, plus some soybean oil; lard and fatback; and, for industrial use, inedible tallow and fish oils. Cottonseed and cottonseed oil are still used to only a limited degree. As previously, imports from the United States are restricted by the Government's policy of (1) buying from soft-currency debtors, where possible, to conserve dollars; and (2) insisting on oilseeds rather than oil. Although a few industrial fat-and-oil items are on the dollar-area liberalization list of last February, United States edible fats and oils can enter Western Germany only via transit, barter, or under United States aid or other programs. In practice, Western Germany purchases those American items which are either priced so low as to absorb the added costs of switch or barter transactions, or are not obtainable in sufficient quantity elsewhere in the desired quality.

Fatty acids remained the only important item of export. These continued their sharp increase--from 2,870 tons in 1951, to 17,500 tons in 1952, to 40,800 tons in 1953. Italy again headed the list of receivers with an almost doubled volume of 9,168 tons. Egypt was second with 5,747 tons. Spain, a new customer, and the Netherlands were next in order. Ten other countries appeared as receivers for the first time, the principal ones being Algeria, Austria, and Israel. German exporters expect this trade to expand still further.

Edible fat production from domestic raw materials in 1953 was estimated at about 600,000 tons pure fat equivalent, a postwar record. The major items were butter, in which Western Germany is now self-sufficient, and lard. Oil crops declined further in significance, despite an assured market; winterkill was extremely heavy.

Production of margarine from both domestic and imported raw materials continued its upward trend. Based on sales data, output in 1953 was estimated at 660,000 tons, or an increase of 12 percent over 1952. It is now firmly established as the dominant edible fat product and the only important one which is not threatened with further adverse shifts in consumer preference. A marked shift in buying patterns from the lower toward the better grades of margarine began in late 1952 and is continuing. Consumption of table oils and shortening remained small but steady.

Despite the insulating effects of the Federal Import and Storage Agency's monopolistic operations, the domestic lard market felt the effects of the sharp turnabout in the world market in the fall of 1952. Whereas a year ago lard was in oversupply, reserves are now below desired levels.

PEANUT SUPPLY IN FRENCH WEST AFRICA EXCEEDS EARLY ESTIMATE

Official figures as quoted by trade sources indicate French West Africa marketed 795,000 short tons of peanuts (565,000 tons shelled) from the 1953 crop. This is about 50,000 short tons (in-shell basis) more than the last estimate which was 744,710 short tons.

Yields in 1954 from shelling in various French West African territories are reported as follows: Senegal, 72 percent; Soudan, 66; Ivory Coast, 70; Niger, 70; Upper Volta, 68; and Dahomey, 68 percent.

TRADE DEVELOPMENTS IN FOREIGN COUNTRIES

British Fatstock Marketing Corporation to Handle New Zealand Meat: In a statement made on September 24, the British Fatstock Marketing Corporation (sponsored by the National Farmers Union) announced that it has concluded an agreement with two of the principal cooperative meat producing organizations in New Zealand under which the corporation will act as their marketing agents throughout the United Kingdom. These two companies are Producer Meat, Ltd. of Auckland, and the Primary Producers' Cooperative Society, Ltd. of Otago. The announcement stated that while the agreement did not mean any increase in imports, it did mean that the corporation had secured a substantial share of the import trade, which played a vital part in maintaining the orderly marketing of meat in the United Kingdom. The first shipments under the agreement are expected in November.

Britain Renews Bacon Contract with Denmark: The British Ministry of Food announced on September 24 that it had renewed until September 1955 its contract with the Danish Bacon Board at the same price as in the former contract, 237s. 6d. per cwt. (equivalent to 37.77 cents per pound). The Danish Bacon Board agrees to deliver 485 million pounds, in such quantities week by week as designated by the Ministry of Food. Although the contract with Denmark for 1953-54 provided for delivery of a maximum of 507 million pounds, the quantity actually shipped was only about 463 million pounds. The Ministry of Food released an additional 55 million pounds of Danish bacon remaining in its stocks from the 1952-53 import program.

The renewal of this contract has been under negotiation for 3 months. The Danes had raised questions concerning their butter contract with Britain if suitable renewal conditions could not be obtained under the new bacon contract. The cost of similar British home-produced bacon, inclusive of subsidy, is reported to be about 400s. per cwt. (56 cents per pound) in comparison with contract price for Danish bacon of 237s. 6d. (37.77 cents per pound). From October, 1953 to September, 1954, British consumption of bacon is estimated to have been about 1,202 million pounds, of which 695 million pounds was imported and 507 million pounds home produced, during most of which time bacon was rationed.

Bolivian-Argentine Trade Agreement: Bolivia is the fourth country to sign a new trade agreement with Argentina under the economic union envisaged by the "Act of Santiago."

During 1953, the Argentine Government developed a new and promising method of increasing its influence in other Latin American countries by means of so-called agreements of "economic union." This was first applied to treaties with Chile in February and July 1953, with Paraguay in August, and with Ecuador in December. In each case a general treaty of economic union was adopted first, including statements of principle.

The next step was to establish with each of the countries involved bi-national councils of economic union. These are given broad authority to discuss and recommend means of achieving closer economic coordination between the two countries. The importance of this system is not found in any immediate undertaking under the initial agreements. It is rather in the establishment of agencies which will meet periodically and will be available in the future to facilitate whatever task of economic coordination may be desired at the moment.

The agreement with Bolivia was signed September 9, 1954. Under it trade is to reach \$9 million a year both ways. Bolivia is to export petroleum, tin, timber, and various other mineral and forest products. In return Argentina will supply cattle, wheat, wool, quebracho extract and other agricultural and animal products. Besides the trade and payments arrangements, the agreement has other features including a commitment of Argentina toward additional investment in the completion of the railway from Yacuiba to Santa Cruz, the reciprocal concession of free transit privileges, and the concession by Argentina of free port privileges to Bolivia.

New Tax Affecting Imports into Chile: Law No. 11,575, approved August 13, 1954, establishes a new tax on Chilean import licenses of 15 pesos per dollar of exchange cover authorized. This amounts to a 13.636 percent tax on exchange authorizations, since the tax will be computed in all cases on the official parity rate of 110 pesos to the dollar. It is being levied in addition to already existing taxes on import licenses, which total 1.305 percent.

Imports of Government agencies and all imports of the following essential commodities are exempted from this tax: petroleum, rubber, wool, coffee, tea, yerba mate, vegetable oil, jute, sugar, anti-biotics, natural and synthetic drugs, cotton, gasoline, kerosene, solid paraffin, lubricating oil, meat, wheat, tallow and leather. Also exempted are imports by the great mining companies and the Chilean Electric Company paid for with their own exchange, as well as border trade, domestic purchases of copper which must be covered by exchange permits, imports into the Department of Arica, and imports for the new paper and cellulose mill. The tax is to be in effect until December 31, 1954, but may be continued next year since the revenue it will provide will be needed to balance the 1955 budget.

Venezuelan Imports of Wheat Flour, Rice and Potatoes: During the 1953-54 wheat year the Venezuelans granted import licenses, for 3,170,647 bags of flour, of which 258,466 bags were cancelled, leaving 2,912,181 bags of flour which may be imported. This is 147,583 bags over its International Wheat Agreement quota. In addition, over 11 million pounds of flour in small packages were licensed, as well as 90,000 bushels of wheat. Flour licenses for the quarter August-October 1954 were granted for 883,094 bags, or about 32 percent of the total quota for 1954-55 under the International Wheat Agreement. Imports of wheat flour from the United States in 1953 were valued at \$9 million.

Officially the rice crop of Venezuela has been estimated at about 168 million pounds of rough rice, and because of this the Venezuelan Banco Agricola y Pecuario announced it would not import rice this year. During 1953, imports from the United States were valued at \$1.1 million.

Sweden Liberalizes Part of its Dollar Import Trade: Effective October 1, 1954 Sweden is abolishing import license requirements for a large number of commodities from the dollar area. The full list of commodities to be thus liberalized is not yet available, but among the agricultural products included are dried fruit and raisins, rice, canned fruit, juices and a number of other foodstuffs.

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PUBLICATIONS RELATING TO U.S. INTERNATIONAL AGRICULTURAL TRADE

Issued recently and available free upon request from
the U.S. Department of Agriculture, Foreign Agricultural
Service, Washington 25, D. C.

The Cotton Marketing Situation in Belgium. FC 31-54

Vegetable Oil and Oilseed Situation in Sierra Leone. FFO 18-54.

British East Africa: Exports of Sisal From Tanganyika During 1953. FVF 19-54.

Preliminary Estimate of Jute Crop in Pakistan. FVF 18-54.

West Bengal Increases Tax on Raw Jute. FVF 17-54.

Greater Competition Expected From Canadian Tobacco as the Estimated 1954 Production Establishes a Record Level. FT 37-54.

Foreign Agricultural Trade. U. S. Foreign Trade in Agricultural Products for June, 1954.

L A T E N E W S

The Government of India, according to a notification issued September 7, 1954 has decided to license freely for export during the 1954-55 season the following types of cotton: Assams, Comillas, Zoda cotton, cotton pickings and sweepings, yellow pickings, and cotton linters. These cottons have little, if any, spinnable value. This policy is in line with last season's except that exports of Coconadas are now suspended because there appears to be no exportable surplus.

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